GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3033
ANSWERED ON:02.08.2002
INFLATION RATE
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to continue twin policy of keeping inflation rate in check and maintaining a soft interest rate regime; and

(b) If so, the details thereof along with the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT G. GEETE)

(a) & (b): It is the Government`s continued endeavour to ensure that the inflation rate remains moderately low. The supply side management of essential commodities is one of the important factors that the Government operates to moderate the overall inflationary expectations in the economy. The Reserve Bank of India has been followingthe policy of imparting flexibility to the interest rate structure, with a preference for softening to the extent the evolving situation warrants.